

Message Text

PAGE 01 STATE 097864
ORIGIN IO-14

INFO OCT-01 AF-10 ISO-00 /025 R

DRAFTED BY IO:CRFRANK, JR.
APPROVED BY IO:CRFRANK, JR.
AF/C -WLSWING
AF/C -WLSWING

-----049243 172101Z /61-R

P 171936Z APR 78
FM SECSTATE WASHDC
TO AMEMBASSY LIBREVILLE PRIORITY
INFO AMEMBASSY YAOUNDE PRIORITY
AMEMBASSY KINSHASA PRIORITY
AMEMBASSY DAR ES SALAAM PRIORITY
AMEMBASSY LUSAKA PRIORITY
AMEMBASSY NAIROBI PRIORITY
AMEMBASSY KHARTOUM PRIORITY

LIMITED OFFICIAL USE STATE 097864

FROM DAS CHARLES R. FRANK, JR.

E.O. 11652: NA

TAGS: EGEN, GA

SUBJECT: MEMORANDUM OF CONVERSATION: DEPUTY ASSISTANT
SECRETARY FRANK VISIT TO GABON.
REF: LIBREVILLE 819.

1. BELOW IS TEXT OF MEMORANDUM OF CONVERSATION CLEARED BY
DEPUTY ASSISTANT SECRETARY FRANK. A FEW CHANGES HAVE BEEN
MADE TO EMBASSY DRAFT. COULD EMBASSY PLEASE MAKE CERTAIN
THAT GABON GOVERNMENT MEMCON IS MODIFIED ACCORDINGLY.
FRANK WISHES TO THANK EMBASSY FOR THEIR HELP AND HOSPI-
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 02 STATE 097864

TALITY.

2. BEGIN TEXT: MEMORANDUM OF CONVERSATION
PARTICIPANTS: USDEL: DAS FOR ECONOMIC AND SOCIAL AFFAIRS
CHARL:S R. FRANK, JR.; DEPUTY CHIEF OF MISSION, JOHN M.
Y;TES; SECOND SECRETARY, CORNELIA BRYANT; THIRD SECRETARY,
DONALD BOOTH; GABONESE DEL: ASSISTAT SECRETARY GENERAL OF
MINISTRY OF FOREIGN AFFAIRS, SYLVESTRE RATANGA; PRESI-
DENTIAL COUNSELOR ATTACHED TO MINISTRY OF FOREIGN AFFAIRS
IN CHARGE OF AMERICAN AFFAIRS, SAMUEL NZE-OBAME; DIPLO-

MATIC COUNSELOR OF MINISTRY OF FOREIGN AFFAIRS, JEAN-FELIX ADANDE; ASSISTANT PRESIDENTIAL COUNSELOR FOR AFRICAN AND INTERNATIONAL AFFAIRS, FRANCOIS MAGANGA; DIRECTOR OF

ADMINISTRATION AT MINISTRY OF PLAN IN CHARGE OF RELATIONS WITH UNITED NATIONS DEVELOPMENT PROGRAM, JOSEPH NZIENQUE-KOUMBA; CHIEF OF DIVISION OF RESEARCH AND DOCUMENTATION AT MINISTRY OF FOREIGN AFFAIRS, MARCEL ODONQUE-BONNARD; DIRECTOR OF BUREAU OF FOREIGN COMMERCE AT MINISTRY OF COMMERCE, BEKALE ESSENG; DIRECTOR OF INDUSTRIAL DEVELOPMENT, MINISTRY OF COMMERCE, MOUGOULD N'DONDO; MINISTRY OF COMMERCE REPRESENTATIVE ELLA M'BA.

PLACE: MINISTRY OF FOREIGN AFFAIRS, LIBREVILLE, GABON.

DATE: MARCH 25, 1978; 1000 TO 1230 HOURS

SUBJECT: BILATERAL CONSULTATIONS ON ECONOMIC ISSUES.

3. MEETING WAS ARRANGED AT THE REQUEST OF DAS FRANK WHO WISHED TO CONSULT WITH COMPETENT GABONESE OFFICIALS ON THE FOLLOWING SUBJECTS: RESUMPTION OF COMMON FUND NEGOTIATIONS, RENEGOTIATION OF COCOA AGREEMENT, FURTHERANCE OF LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 03 STATE 097864

MULTILATERAL TRADE NEGOTIATIONS, AND NEGOTIATION IN ECOSOC OF A CONVENTION TO CONTROL ILLICIT PAYMENTS MADE BY TRANS-NATIONAL CORPORATIONS. GABONESE GOVERNMENT AGREED TO MEETING WITH UNDERSTANDING THAT BILATERAL ISSUES WOULD ALSO BE DISCUSSED.

4. AFTER EXCHANGE OF POLITE GREETINGS BETWEEN ASSISTANT SECRETARY GENERAL (ASG) RATANGA AND DAS FRANK, DAS FRANK LAUNCHED DISCUSSION OF U.S. POSITION TOWARD COMMON FUND NEGOTIATIONS. THE UNITED STATES REALIZES THE NEED FOR A COMMON FUND TO FACILITATE FINANCING OF COMMODITY BUFFER STOCKS AND WOULD LIKE TO RESUME NEGOTIATIONS FOR SUCH A FUND, BUT NOT BEFORE WE CAN BE REASONABLY SURE THAT FUNDAMENTAL DIFFERENCES BETWEEN THE G-77 AND GROUP B CAN BE RESOLVED. IT IS THIS GOAL WHICH BROUGHT DAS FRANK ON HIS AFRICAN TOUR.

5. THE OFFICIAL U.S. POSITION, AS STATED DURING THE NOVEMBER 1977 COMMON FUND NEGOTIATIONS, IS THAT THE COMMON FUND SHOULD BE FINANCED BY CONTRIBUTIONS OF THE MEMBERS OF INDIVIDUAL COMMODITY ORGANIZATIONS. WITH THESE POOLED RESOURCES, THE COMMON FUND WOULD FUNCTION AS A RESERVE BANK, FINANCING THE VARIOUS BUFFER STOCKS FROM ICO DEPOSITS AND FROM BORROWINGS ON INTERNATIONAL FINANCIAL MARKETS.

6. DAS FRANK WENT ON TO SAY THAT THE G-77 HAD REFUSED TO ACCEPT THIS PROPOSAL, AND INSISTED ON DIRECT GOVERNMENT CONTRIBUTIONS TO THE COMMON FUND. THE U.S. COULD ACCEPT THE IDEA OF GOVERNMENT CONTRIBUTIONS TO THE COMMON FUND ONLY IF THE CONTRIBUTIONS WERE MADE TO INDIVIDUAL COMMODITY ORGANIZATIONS BY MEMBER STATES. THE U.S. COULD NOT ACCEPT CONTRIBUTING MONEY TO COMMODITY ORGANIZATIONS OF WHICH IT IS NOT A MEMBER AND THUS HAS NO POLICY VOICE.

7. THE OTHER AREA OF DIFFERENCES BETWEEN U.S. AND G-77
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 04 STATE 097864

IS THE G-77 PROPOSAL FOR A "SECOND WINDOW" FOR "OTHER MEASURES". THE G-77 WANTS THE COMMON FUND TO FINANCE SUCH MEASURES AS PRODUCT DEVELOPMENT OR PROCESSING OF RAW MATERIALS, RESEARCH FOR INCREASING PRODUCTIVITY, AND MARKET RESEARCH. THE U.S. FEELS THAT THE COMMON FUND WOULD BE DUPLICATING THE FUNCTIONS OF THE IMF, IBRD, AND REGIONAL DEVELOPMENT BANKS IF THE "SECOND WINDOW" PROPOSALS ARE INCORPORATED.

8. WITH THE OFFICIAL POSITIONS OF THE U.S. AND G-77 THUS OUTLINED, DAS FRANK PRESENTED, IN AN INFORMAL AND UNOFFICIAL STATEMENT, SOME POSSIBILITIES FOR BREECHING THE GAP IN NEGOTIATING POSITIONS. THE U.S., FOR EXAMPLE, MIGHT BE WILLING TO: CONTRIBUTE DIRECTLY TO THE COMMON FUND TO COVER ADMINISTRATIVE EXPENSES,'

THE RATIO OF INDIVIDUAL COMMODITY AGREEMENT CASH DEPOSIT TO ITS CREDIT LIMIT, AND TO CONSIDER GRANTING GOVERNMENT GUARANTEES TO THE COMMON FUND TO ENABLE IT TO BORROW FROM FINANCIAL INSTITUTIONS. ON THIS LAST POINT, GOVERNMENT LOAN GUARANTEES MIGHT BE GRANTED DIRECTLY TO THE COMMON FUND BUT FOR USE BY A SPECIFIC COMMODITY AGREEMENT. THE ONLY POSSIBLE FLEXIBILITY ON "SECOND WINDOW" PROPOSALS WOULD BE IN THE REALM OF INCREASED U.S. CONTRIBUTIONS TO EXISTING ORGANIZATIONS WHICH DEAL WITH "SECOND WINDOW" SUBJECTS. ANY FLEXIBILITY THAT THE U.S. MIGHT SHOW WOULD HAVE TO BE MATCHED BY FLEXIBILITY ON THE SIDE OF THE G-77 AND WOULD REQUIRE A SATISFACTORY RESOLUTION OF THE VOTING AND CONTROL ISSUE FOR THE COMMON FUND.

9. DIPLOMATIC COUNSELOR ADANDE EMPHASIZED THAT WHILE GABON COULD NOT SPEAK FOR THE ENTIRE G-77, HE FELT THAT THE G-77 NEGOTIATING POSITION WOULD VARY LITTLE FROM
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 05 STATE 097864

RESOLUTION 93 OF UNCTAD IV IN NAIROBI. HE FURTHER STATED

THAT THE G-77 WAS PREPARED, AS STATED IN COLOMBO IN 1976, TO ESTABLISH A COMMON FUND WITHOUT THE ADHERENCE OF THE DEVELOPED COUNTRIES. THE COMMON FUND WILL BE BROUGHT UP FOR DISCUSSION AT THE NEXT ORGANIZATION OF AFRICAN UNITY (OAU) MEETING IN KHARTOUM THIS JULY. FOR GABON, THE "FIRST

WINDOW" CONCERNING BUFFER STOCK FINANCING IS MORE IMPORTANT THAN "SECOND WINDOW" PROVISIONS. HOWEVER, GABON CANNOT AFFORD TO ABANDON THE G-77 POSITION ON THE "SECOND WINDOW".

10. COUNSELOR ADANDE PRAISED U.S. EFFORTS TOWARD REACHING A CONSENSUS ON THE COMMON FUND NEGOTIATIONS, AND STATED THAT THIS WAS A GOOD MOVE ON PART OF U.S. IN DEMONSTRATING GOOD FAITH TOWARD ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER. MINISTRY OF COMMERCE REPRESENTATIVE ELLA M'BA MENTIONED THAT THE ECONOMIC AND DEVELOPMENT STRUCTURES OF G-77 COUNTRIES EXPLAIN THE G-77 INSISTANCE ON DIRECT GOVERNMENT PARTICIPATION IN THE COMMON FUND. SINCE THE GOVERNMENT SECTOR IS DOMINANT IN THE ECONOMIES OF G-77 COUNTRIES, GOVERNMENT PARTICIPATION MUST BE AN ESSENTIAL ELEMENT OF THE COMMON FUND FOR G-77 COUNTRIES TO BE ABLE TO FULLY PARTICIPATE. COUNSELOR ADAND: CLOSED THE DISCUSSION ON THE COMMON FUND BY STATING THAT GABON WOULD THOROUGHLY STUDY THE U.S. PROPOSALS BUT WISHED TO HAVE MORE INFORMATION IN WRITING. DAS FRANK PROMISED TO TRY TO GET WASHINGTON TO TRANSMIT SUCH INFORMATION THROUGH THE U.S. EMBASSY LIBREVILLE.

11. THE DISCUSSION TURNED NEXT TO THE RENEGOTIATION OF THE INTERNATIONAL COCOA AGREEMENT. MINISTRY OF COMMERCE REPRESENTATIVE ELLA M'BA STATED THAT THE PROBLEM FOR COCOA PRODUCERS IS THAT THERE ARE TWO PRODUCER GROUPS SELLING TO TWO SEPARATE MARKETS; LATIN AMERICAN PRODUCERS SELL TO NORTH AMERICA AND ACP COUNTRIES SELL TO THE EUROPEAN LIMITED OFFICIAL USE LIMITED OFFICIAL USE

PAGE 06 STATE 097864

COMMON MARKET (EEC). TO CONTROL PRICES THERE MUST BE ONE PRODUCER ORGANIZATION.

12. GABON WISHES TO SEE OTHER PRODUCING COUNTRIES JOIN THE STABEX SYSTEM PRESENTLY USED BY ACP (LOME CONVENTION) COUNTRIES AND THE U.S. JOIN AS A DONOR.

13. DAS FRANK RESPONDED THAT U.S. IS OPPOSED TO ENLARGEMENT OF THE STABEX SYSTEM. U.S. BELIEVES THAT THE IMF COMPENSATORY FINANCING SYSTEM IS A BETTER SYSTEM FOR STABILIZING EXPORT EARNINGS. IT COVERS ALL EXPORTS, IS OPEN TO ALL COUNTRIES, AND HAS FAR MORE RESOURCES AT ITS DISPOSAL. THE U.S. MAY BE WILLING AT SOME TIME TO CONSIDER THE INCORPORATION OF SOME STABEX FEATURES INTO THE

IMF SYSTEM. THE GABONESE DELEGATION SHOWED CONSIDERABLE INTEREST IN THE IMF COMPENSATORY FACILITY AND REQUESTED FURTHER DETAILS.

14. GABON AGREES THAT IT WOULD BE BENEFICIAL TO HAVE THE U.S. AS A MEMBER OF THE COCOA AGREEMENT AND IS THUS IN FAVOR OF RENEGOTIATING THE PRESENT AGREEMENT AT THE NEXT ORGANIZATION MEETING IN LONDON. DAS FRANK STATED THAT U.S. WAS INTERESTED IN MEMBERSHIP BUT WOULD HAVE TO AWAIT OUTCOME OF NEW NEGOTIATIONS BEFORE DECIDING. GABON FAVORS U.S. IDEA OF INCORPORATING BUFFER STOCK PROVISIONS INTO ANY NEW AGREEMENT.

15. ON THE SUBJECT OF THE MULTILATERAL TRADE NEGOTIATIONS (MTN) PRESENTLY UNDERWAY IN GENEVA, DAS FRANK STATED THAT THE U.S. ATTACHES GREAT IMPORTANCE TO THEIR SUCCESS AND URGES DEVELOPING COUNTRIES TO PLAY AN ACTIVE ROLE. CONCERNING TARIFFS ON AGRICULTURAL PRODUCTS, THE U.S. MUST BE ASKED TO LOWER SPECIFIC TARIFFS BEFORE IT CAN OFFER TO LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 07 STATE 097864

DO SO. DAS FRANK STRESSED THE NEED TO SUBMIT REQUESTS FOR REDUCTIONS WELL BEFORE JULY WHEN THE PRESENT ROUND OF NEGOTIATIONS TERMINATE.

16. COUNSELOR NZE-OBAMA PROMISED TO DISCUSS THESE POINTS WITH THE GABONESE NEGOTIATOR IN GENEVA WHO IS THE COMPETENT AUTHORITY IN MTN MATTERS.

17. DAS FRANK NEXT TURNED TO THE ECOSOC NEGOTIATIONS CONCERNING AN ILLICIT PAYMENTS CONVENTION. THE U.S. BELIEVES THAT AN INTERNATIONAL TREATY IS NECESSARY TO MONITOR AND CONTROL THE ILLEGAL PAYMENTS SUCH AS BRIBES, KICKBACKS, AND EXCESSIVE AGENT FEES WHICH ARE MADE BY TRANSNATIONAL CORPORATIONS IN ORDER TO SECURE FOREIGN CONTRACTS. SUCH PAYMENTS ONLY SERVE TO DISRUPT COMPETITION AND RAISE THE PRICE OF INDUSTRIAL GOODS TO DEVELOPING COUNTRY CUSTOMERS. THE U.S., HOWEVER, CANNOT AGREE TO THE DEMAND VOICED BY SOME AFRICAN STATES FOR INCLUSION OF NORMAL BUSINESS PAYMENTS MADE BY TNC'S TO SOUTH AFRICA IN THE DEFINITION OF ILLICIT PAYMENTS. SANCTIONS AGAINST SOUTH AFRICA ARE POLITICAL, NOT ECONOMIC, CONSIDERATIONS AND SHOULD THUS BE DEALT WITH BY THE UN SECURITY COUNCIL AS WERE THE RHODESIAN SANCTIONS AND THE SOUTH AFRICAN ARMS EMBARGO. THE U.S. MIGHT BE WILLING TO SEE THAT THE ILLICIT PAYMENTS TREATY TAKES INTO ACCOUNT EXISTING SANCTIONS PASSED BY THE SECURITY COUNCIL. BUT TO THE U.S., ECOSOC IS NOT THE COMPETENT BODY TO DISCUSS IMPOSITION OF NEW SANCTIONS.

18. ASSISTANT SECRETARY GENERAL RATANGA SAID THAT GABON

COULD NEVER ACCEPT LIMITING DISCUSSION OF SANCTIONS AGAINST SOUTH AFRICA TO THE SECURITY COUNCIL BECAUSE OF THE VETO POWER OF THE WESTERN POWERS THERE. HE INDICATED THAT GABON WOULD CONTINUE TO SUPPORT INCLUSION OF SOUTH AFRICAN PAYMENTS IN ANY ILLICIT PAYMENTS TREATY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 08 STATE 097864

19. DAS FRANK BRIEFLY DESCRIBED THE U.S. LAW AGAINST ILLICIT PAYMENTS, EXPLAINING SOME OF THE REQUIRED REPORTING BY FIRMS AND SOME OF THE PENALTIES. HE PROMISED TO SUPPLY GABON WITH A COPY OF THE U.S. LAW FOR FURTHER STUDY.

20. ASSISTANT PRESIDENTIAL COUNSELOR FOR AFRICAN AND INTERNATIONAL AFFAIRS, MAGANGA, REQUESTED THAT THE U.S. PROVIDE SCHOLARSHIPS FOR HIGHER EDUCATION TO DESERVING GABONESE. GABON NEEDS TO DIVERSIFY ITS EDUCATIONAL BASE AND DEVELOP A CADRE TRAINED OTHER THAN IN THE TRADITIONAL FRENCH SYSTEM. GABON WOULD LIKE THE U.S. TO PROVIDE TEN TO TWENTY SCHOLARSHIPS PER YEAR, WHICH WOULD ENABLE A LIKE NUMBER OF GABONESE TO ATTEND UNIVERSITY IN THE U.S. THE GABONESE ARE MAINLY INTERESTED IN U.S. TECHNICAL TRAINING. DEPUTY CHIEF OF MISSION YATES STATED THAT THE U.S. GOVERNMENT NO LONGER GAVE DIRECT SCHOLARSHIPS FOR UNDERGRADUATE UNIVERSITY TRAINING. THE U.S. DOES, HOWEVER, GIVE LEADERSHIP GRANTS FOR STUDY THROUGH THE INTERNATIONAL COMMUNICATION AGENCY, AND GIVES GENERAL SCHOLARSHIP MONEY TO ORGANIZATIONS SUCH AS THE AFRICAN-AMERICAN INSTITUTE TO ADMINISTER.

21. GABONESE EXPRESSED DISMAY THAT THEIR OPEC MEMBERSHIP WAS EXCLUDING THEM FROM U.S. TARIFF PREFERENCES. DESPITE OPEC MEMBERSHIP, GABON IS A DEVELOPING COUNTRY WHICH REQUIRES PREFERENCES.

22. THE MEETING ADJOURNED AT 12:30 P.M.

DRAFTED: ECON/COM:DEBOOTH - 4/6/78 CLEARANCE: DAS:
CRFRANK, JR. END TEXT DECONTROL CLASSIFY UPON
RECEIPT. CHRISTOPHER

LIMITED OFFICIAL USE

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 sep 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, TRADE AGREEMENTS, MEETING REPORTS, DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE097864
Document Source: ADS
Document Unique ID: 00
Drafter: IO:CRFRANK, JR.
Enclosure: n/a
Executive Order: 11652 NA
Errors: n/a
Expiration:
Film Number: D780164-0741
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197804109/baaafckx.tel
Line Count: 317
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Message ID: 4638bda6-c288-dd11-92da-001cc4696bcc
Office: ORIGIN IO
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: LIBREVILLE 819.
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2830183
Secure: OPEN
Status: NATIVE
Subject: MEMORANDUM OF CONVERSATION: DEPUTY ASSISTANT SECRETARY FRANK VISIT TO GABON.
TAGS: EGEN, GA, US, (FRANK, CHARLES JR)
To: LIBREVILLE INFO YAOUNDE MULTIPLE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/4638bda6-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014